

## **Outlook for capacity markets?**

Today's capacity markets aren't going to get big baseload plants built, Mirant CEO Edward Muller told a Bank of America conference yesterday.

Baseload plants take years to get built and he's not assured that capacity markets will exist in the same form a decade from now when those plants would go online.

Capacity markets are going to encourage more peaking generation, Muller predicted.

He sees a strong future for Mirant's assets.

Heat rates in the short-term will keep growing despite big plans from a number of competitors to build a lot of coal and nuclear facilities, he explained.

Nuclear plants aren't coming until at least 2017 and more likely 2019, Muller predicted.

Reserve margins in the meantime are falling, he reminded, while demand grows.

Mirant has room to build new coal plants at existing sites in the Northeast -- particularly Maryland.

But politicians and the public there won't accept new coal plants right now, he observed.

Muller thinks that view will change over time.